

AGENDA ITEM NO.:

COUNCIL MEETING: March 13, 2007

APPROVED BY

DEPARTMENT DIRECTOR

March 13, 2007

FROM: RENENA SMITH, Budget Manager
Finance Department/ Budget and Management Studies Division

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SUBJECT: PROPOSED AMENDMENT TO THE FY 2005-2007 ANNUAL ACTION PLANS TO PROGRAM MULTIPLE AFFORDABLE HOUSING PROJECTS OCCURRING ON NORTH ECHO AVENUE; NORTH DIANA STREET; NORTH SAN PABLO AVENUE; CALIFORNIA AND MAPLE AVENUES; VAN NESS AND MILDREDA AVENUES, AND DELETE THE BROADWAY ROW, HOTEL FRESNO AND SUMMERSET HOMES PROJECTS PROPOSED FOR DEVELOPMENT.

KEY RESULT AREA

One Fresno

RECOMMENDATION

Staff recommends Council adopt the amendments to the FY 2005, the FY 2006, and the FY 2007 Annual Action Plans to include certain acquisition, rehabilitation and new construction projects, and to delete certain projects under the HOME Investment Partnerships Grant Program (HOME).

EXECUTIVE SUMMARY

The Planning and Development Department, Housing and Community Development Division (HCD) requests an amendment to the FY 2005 Annual Action Plan to delete the Broadway Row and Hotel Fresno new construction projects and to reprogram HOME funds previously reserved for the project. HCD also requests an amendment to the FY 2006 Annual Action Plan to delete and reprogram HOME funds previously reserved for a 10-unit unit new construction project identified as Summerset Homes proposed for development in the Jefferson/ Lowell area. Additionally, HCD requests an amendment to the FY 2007 Annual Action Plan HOME funded projects to acquire, rehabilitate and/or construct affordable housing located on Echo Avenue, Diana Street, San Pablo Avenue, the southeast corner of California and Maple Avenues, and Van Ness and Mildreda Avenues.

BACKGROUND

The City of Fresno is the annual recipient of federal housing and community development funds through the U.S. Department of Housing and Urban Development. As a condition of receiving the funds the City prepares an annual action plan detailing the activities funded with the federal dollars. The City proposes an amendment to the FY 2005-2007 Annual Action Plans to delete three affordable housing projects and to release \$3.975 million of HOME funds reserved for the activities, and to program into the annual action plans HOME-funded affordable housing projects totaling approximately \$3.492 million.

The amendments are not a function of the City's FY 2007 Adopted Budget. The City Council appropriated HOME Program funds to HCD during the budget deliberation process. The action before Council is an administrative requirement to remain in compliance with HUD regulations and information tracking system. The following table provides details of the proposed amendments.

Project	Funding	Annual Action Plan	Amendment and Eligible Activity
164 N. Echo Ave and 172 N. Echo Ave	\$ 425,000	2005-2006	Acquisition and rehabilitation of 2 sfh.*
125 N Diana St. and 129 N Diana St	133,250	2006-2007	Acquisition and construction of 2 sfh.
Tanager Springs II (California & Maple)	2,600,000	2006-2007	New construction of 84 multifamily units.
Van Ness Ave and Mildreda Ave.	260,000	2006-2007	Acquisition/construction of 15 sfh.
214 N San Pablo	75,000	2006-2007	Acquisition and development of 1 sfh.
Broadway Row	<2,000,000>	2004-2005	Delete new construction project.
Hotel Fresno	<1,525,000>	2004-2005	Delete acquisition & construction project.
Summerset Homes	<450,000>	2005-2006	Delete new construction project.

*sfh = single family house

Broadway Row and Hotel Fresno are being deleted from the FY 2004-2005 Annual Action Plan as part of an administrative activity to stay in compliance with the Final Rule – HOME Program Regulations. The Final Rule requires HOME-funded projects to be committed within two years of reserving the program funds. Projects are considered committed when a contract is approved by the governing body. At this time the reservation of HOME funds for the aforementioned projects is set to expire as a contract is not in place for either project. Summerset Homes is being deleted because upon initial review the project was not determined to be feasible. Adoption of these amendments does not preclude the City from including the projects in future annual action plan years. The projects sought for inclusion in the FY 2006-2007 Annual Action Plans is also an administrative activity to program HOME funds for use on the activities.

Under the HOME Program an amendment to the Annual Action Plan is required when the City carries out activities not previously identified in the Plan, when an approved project changes from its original intent, or when project changes exceed 25% of the HOME entitlement. The amendment process requires: (1) public notification with a 30-day comment period; (2) a recommendation by HCDC, and (3) formal approval by the governing body. A public notice was published on January 31, 2007, in The Fresno Bee. Council will reconsider the item on March 13, 2007.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION (HCDC)

On February 21, 2007, the HCDC reviewed the proposed amendment to the Annual Action Plans. After questions regarding the cancelled projects the Commissioners approved the recommendation to Council in a 5-0 vote.

FISCAL IMPACT

Adoption of the proposed amendments releases \$3.975 million of HOME dollars previously reserved for the projects and commits \$3.492 million of HOME funds for use on the acquisition, rehabilitation and new construction projects. These actions are not budgetary and do not impact the FY 2007 Budget adopted by the City Council.